

NEW YORK TIMES
 18 December 1986

F.B.I. Uncovers Wider Role By Saudis in Iran Arms Deal

By JEFF GERTH
 with STEPHEN ENGELBERG
 Special to The New York Times

WASHINGTON, Dec. 17 — The investigation by the Federal Bureau of Investigation of the Iran arms deal has uncovered evidence of wider Saudi Arabian involvement than previously disclosed, according to Federal law enforcement officials.

Today in Switzerland, apparently as a result of these and other discoveries, the United States Justice Department asked Swiss officials to freeze nine more bank accounts, including one for a company named Hyde Park Holdings, American and Swiss officials said.

Congressional investigators suspect that these accounts were part of the complex financial path through which the American Government was paid for the weapons sold to Iran and the surplus was used for other purposes, including support for the rebels fighting to overthrow the Nicaraguan Government.

Officials declined to give details on Hyde Park Holdings, but corporate records in Panama show that a company with that name was chartered in March. It is headed by Mohamed Said Ayas, a Saudi Arabian described by an associate and other Saudi sources as the manager of the business affairs of Prince Mohammed bin Fahd bin Abdul Aziz al-Saud, a son of King Fahd.

Bigger Saudi Role Implied

If, as seems likely, the Swiss bank account cited today by the Justice Department is controlled by the Panamanian-chartered Hyde Park Holdings, it would suggest the Saudis played a more direct role in the Iranian arms sale than previously disclosed.

Up to now, that role has centered on Adnan M. Khashoggi, the Saudi arms dealer and international businessman. Mr. Khashoggi has said he helped finance the Iranian arms purchases but has denied any official link to the Saudi Government. The Saudi Government has also denied any official role. But the apparent involvement of Hyde Park Holdings suggests that money from the ruling Saudi family may have been involved in the arms transactions as well.

The financial interests of the Saudi royal family often overlap with official Saudi actions, according to Middle East experts and sources familiar with the royal family's finances.

While the new information appears to establish a link to the royal family, no full picture of the financial transactions has emerged nor have there been any firm figures on the how much money went through the various accounts.

Mr. Khashoggi has said he put money into a Swiss account held by Lake Resources. Earlier this month the Justice Department, suspecting fraud, asked the Swiss to freeze the account of Lake Resources, a company chartered in Panama last year.

The directors of Lake Resources are business associates of Albert Hakim, a businessman who was identified in the earlier Justice Department request as a suspect in the diversion of funds. The American request today was a supplement to the earlier request.

Last week, William J. Casey, the Director of Central Intelligence, told Congress in secret testimony that the C.I.A. was paid back \$12.2 million for the American arms from four bank accounts, according to Congressional officials.

That money, which eventually went back to the Pentagon, passed through a C.I.A.-controlled account that for a time held \$500 million in American and Saudi money intended for the Afghanist-
 an guerrillas fighting the Moscow-backed Government in Kabul.

Mr. Casey identified two of the accounts, that of Lake Resources and a company he said was Hyde Park Square Corporation, according to Congressional officials.

Inquiry by the F.B.I.

For the last week F.B.I. agents have been searching for information on the two Hyde Park companies and their possible relationship, but today the Justice Department, acting on information developed by the investigations bureau, asked only Hyde Park Holdings's account be frozen, American and Swiss officials said.

A check of corporate registries in several financial centers with strict secrecy laws, including Switzerland, Liechtenstein, the Bahamas, the Grand Cayman Islands, the Channel Islands, Bermuda and Panama, showed only one Hyde Park Holdings, the one in Panama.

It is not uncommon for people seeking to keep their financial affairs private to use several related corporations to move money around under the central control of a holding company chartered in countries like Panama.

Mr. Ayas, the head of Hyde Park Holdings, has several companies managed by the same people, according to Claire Bowden, an official at a management company that handles some of Mr. Ayas's affairs from Guernsey, one of the Channel Islands in the English Channel.